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The draft regulation has an anti-oil tone to it. All prior legislation (see statements from the California Law of 1915 and PRC10 below), present statements of a balanced and responsible approach to protecting and extracting minerals in California for the benefit of the economy and taxes. I would suggest restating the intent of the regulation in the body of this regulation. Statement such as "shall demonstrate", "will not cause" imply a perfect world where the industry and regulators must be 100 percent certain of the result of injection. Statements such as these should be tempered with qualifiers, such as: where possible, within economic reason, beyond a reasonable doubt, etc. The industry is somewhat self-regulating in that water is avoided because it is expensive to produce and unsalable. Also, water is expensive to re-inject, so every reasonable effort is made to direct produced water back where it came from. Furthermore, up front precautions that discourage investment can be relaxed, because the regulations contain more than enough safeguards to catch problems early enough to abate environmental damage. Specifically, I would argue that step-rate testing (\$40,000 per well) is not needed in zones where the frac gradient is known. Water testing (causes a 3 month delay) is not needed if produced water is used. This water is being returned to where it came from, so maybe it is nice data to file away somewhere, but not required.

In the article: The end of doom by Ronald Bailey, he states that environmentalists developed the precautionary principle which states, "When an activity raises the threats of harm to human health or the environment, precautionary measures should be taken even if some cause and effect relationships are not fully established scientifically"... and the proponent of the activity should bear the burden of proof. This is the opposite of the scientific theory, and I hope the District does promote this theory with this regulation. Aaron Wildavsky in his book 1988 book Searching for Safety says "The direct implication of trial without error is obvious: If you can do nothing without first knowing how it will turn out, you can not do anything at all". Doing nothing at all is, of course, the end goal of environmental extremism and we must combat magical thinking with thoughtful regulation.

We must not abandon the notion of scientific probabilities and risk/benefit analysis in the regulation. The industry to date has had very few incidents compared to the amount of activity that has taken place in history, and therefore, requiring excess costs, such as re-abandoning wells, is counterproductive to extracting minerals. Currently the recovery factors for California's oil is below 50%, which is not good, and qualifies as a waste of the natural resource because it is left in the ground. If waterflooding (primarily done with the same water that came out of the formation) can raise the recovery by 10 percent, we should encourage that with a statement of intent and add an appeal process for operators who are being shut down or driven out of California with regulations. This will have dire consequences for our economy, and make our environment less protected by driving out conscientious operators and replacing them with operators who operate close to non compliance.

Law of 1915:

## CHAPTER 718.

*An act establishing and creating a department of the state mining bureau for the protection of the natural resources of petroleum and gas from waste and destruction through improper operations in production; providing for the appointment of a state oil and gas supervisor;*

**PRC10 § 3106.** (a) The supervisor shall so supervise the drilling, operation, maintenance, and abandonment of wells and the operation, maintenance, and removal or abandonment of tanks and facilities attendant to oil and gas production, including pipelines not subject to regulation pursuant to Chapter 5.5 (commencing with Section 51010) of Part 1 of Division 1 of Title 5 of the Government Code that are within an oil and gas field, so as to prevent, as far as possible, damage to life, health, property, and natural resources; damage to underground oil and gas deposits from infiltrating water and other causes; **loss of oil, gas, or reservoir energy,** and damage to underground and surface waters suitable for irrigation or domestic purposes by the infiltration of, or the addition of, detrimental substances.

Ray Clanton,  
Citizen of the great State of California